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Deadline for implementation
March 31, 1996

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Northeast Oregon Alliance

Rural Action Plan

An Amendment to the 1995-1997 Regional Strategy

Adopted

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Background

The Rural Investment Fund was established by the 1995 Legislature and signed into law by Governor Kitzhaber. Administrative Rules for the fund were adopted on October 6, 1995. The Northeast Oregon Alliance region was awarded \$651,687 for projects, technical assistance and staffing.

According to the Administrative Rules, "The objective of the Rural Investment Fund is to provide a flexible source of funding to help rural areas finance locally-determined Economic and Community Development Projects. It is intended to provide a vehicle by which Regional Boards can leverage other funding sources to the maximum extent possible to improve the economies of rural areas."

The Northeast Oregon Alliance (NEO Alliance) Board was charged with task of creating a rural action plan. The board developed this plan and held public hearings on The board adopted this plan

The Northeast Oregon Alliance Board consists of members living in the towns of Pendleton, Hermiston, Helix, La Grande, Union, Enterprise and rural areas near Enterprise Board members represent the farming community, the arts, small cities, Native Americans, and private business. The board has reviewed its membership and (after changing the membership) has determined that the board members adequately represent the interests of rural areas within the region.

The Region's Economy *can be eliminated*

One of the objectives of the Rural Investment Fund is to consider projects in rural areas that face the greatest economic challenges. The Board reviewed city and county level data collected for the region. The following data was considered by the Board:

County	1994 Population	% Low/Moderate Income	1993 Unemployment Rate	1994 Unemployment Rate	1995 Unemployment Rate
Umatilla County	64,000	38.77	8.9	6.8	6.4
Union County	24,500	37.93	7.9	6.3	6.3
Wallowa County	7,200	42.31	10.5	9.4	9.4

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City	Population	% Low/Moderate Income
Adams	245	31.9
Athena	1050	36.49
Echo	515	38.33
Helix	155	17.02
Hermiston	10330	43.4
Milton-Freewater	5865	49.8
Pendleton	15715	33.75
Pilot Rock	1540	27.5
Stanfield	1620	51.3
Ukiah	260	47.5
Umatilla	3155	57.2
Weston	640	47.69
Cove	570	38.25
Elgin	1655	42.01
Imbler	310	31.54
Island City	825	31.81
La Grande	12195	38.58
North Powder	515	48.08
Summerville	150	38.4
Union	1915	46.6
Enterprise	1935	35.95
Joseph	1165	40.9
Lostine	230	30.22
Wallowa	755	55.57

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Recent mill closures in Joseph, Wallowa and La Grande have also impacted the economy of the towns and counties in the region.

Based upon the above data, the following areas have been identified as rural areas having the greatest economic challenges:

- 1.
- 2.
- 3.

Input of Rural Areas

mtgs after Jan 1

The Northeast Oregon Alliance Board held community input sessions in Milton-Freewater and Echo on November 30, ^{*La Grande*} in Elgin and Union on December 5, and in Joseph and Wallowa on December 6, 1995 to gather input from rural areas. County governing bodies, cities, special districts, the Confederated Tribes of the Umatilla Indian Reservation, Workforce Quality Committee members from Regions 12 and 13, county and city planning departments, chambers of commerce, development organizations, and community planning contacts were invited to these sessions. In addition, press releases inviting the public to attend and participate in these sessions were sent to newspapers and radio stations within the region. Input from these meetings was incorporated into the plan and can be summarized as follows:..... ^{*Trees*}

Existing strategic or community plans from Hermiston, Pendleton, Milton-Freewater, Union, Elgin, Union County, ..., and Overall Economic Development Programs from the Greater Eastern Oregon Development Corporation and Northeast Oregon Economic Development District were reviewed to identify the priority needs of the region.

The priorities of the rural areas as identified by the communities and the Board are:

- 1.
- 2.
- 3.

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Project Solicitation Process

Projects will be solicited from cities, counties, special districts, Workforce Quality Committees, Indian tribes, businesses and the general public. (Workshops will be held in each county to explain the application procedure.) The opportunity to apply for funding will be advertised in the East Oregonian, The Observer and the Wallowa County Chieftain. Press releases soliciting applications will be delivered to radio stations and newspapers within the region. A notice of the application procedure will be sent to the direct mail list developed through the Regional Strategies process. (Staff will help to develop projects and prepare applications for high priority projects.)

Projects will be solicited starting May 1, 1996. *immediately after approval*
close July 31, 1996. *Project to be turned in by July 97*
5/20/96

Minimum Qualifications

Projects must meet the following criteria in order to be considered for funding:

For community development projects:

1. A minimum cash match of 3:1 will be required. (For example, three dollars of match will be required for each dollar of Rural Investment Funds requested.)
2. The project must solve an infrastructure problem, provide technical assistance or enable a future action. (For example, a city that does not meet sewer discharge requirements would have an infrastructure problem.)

For economic development projects:

1. A minimum cash match of 3:1 will be required.
2. A maximum of \$10,000 will be awarded for each new family-wage job created.

Evaluation and Funding Process

[After the close of the application period, each county in the region will be given the task of ranking their projects for consideration by the NEO Alliance Board. The county governing bodies, or their designees, will rank the projects in priority order.] **or** [Staff, with input from an economic development representative chosen by the Board for each county, shall rank the projects by county.] The county ranking should primarily consider whether or not the project fulfills a specific need of the rural areas of the county. Strategic plans for these areas shall be consulted in determining the priorities.

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This prioritization will be the first criteria considered by the Board. The county prioritizations shall be completed by September 1, 1996.

The Board will begin evaluation of projects for the 1995-1997 biennium on September 1, 1996. The Board will make its initial selection of projects selected for funding by October 31, 1996. If all funds are not obligated by October 31, 1996, an additional application procedure will be opened up on December 1, 1996, projects will be reviewed by the county sub-committees in March, and the Board will make funding decisions in May, 1997.

The Northeast Oregon Alliance Board will utilize the following list of criteria to make its decisions. Some of these criteria are mandated by Administrative Rule and are indicated by an asterisk.

1. The relative priority that the corresponding county has placed upon the project;
- 1 2. The priorities of Rural areas that have the greatest economic challenges*;
- 2 3. Whether monies from the Rural Investment Fund will fill a gap in financing for programs and projects*;
- 3 4. The extent to which monies from the Rural Investment Fund will leverage other resources by bringing in public or private partnerships*;
- 4 5. The degree to which applicants for funding have established measurable economic outcomes that can demonstrate, through specific Performance Measurements, progress towards achievement of the goals and objectives of the Rural Investment Fund*. These Performance Measurements, listed by project type, may include, but are not limited to the following:

Economic Development Projects:

- A) Dollars leveraged
- B) Direct Jobs Created
- C) Direct Jobs Saved
- D) Increase in sales levels
- E) Increase in exports from the region

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Community Development Projects:

- A) Dollars leveraged
 - B) Future action enabled
 - C) Solve capacity problem
 - D) Number of people benefitted
 - E) Completion of the project (studies and technical assistance)
6. For all areas in which a locally developed strategic plan has been created, the ability of the project to address an economic challenge or opportunity for development identified in such a plan.
7. The degree to which projects are ready to proceed and will have demonstrable results by June 1997.

The Northeast Oregon Alliance will not fund projects that include activities in the following list as they are prohibited by Administrative Rule:

1. Retirement of any debt.
2. Payments for expenses incurred prior to approval of the Northeast Oregon Alliance's Rural Action Plan by the State of Oregon.
3. Payments for, or substitutions of, local government expenditures for Existing or Continuing Public Services.
4. Relocation of a facility from one labor market within the State to another, if not accompanied by an expansion of the applicant's business or employment.

Revolving Loan Fund

The Board may choose to create a Revolving Loan Fund to finance business projects in the region. If this fund is created, the board will utilize the following terms and conditions:

- First Source Hiring Agreements will be required if financial assistance is provided to individual businesses.
- Loan terms will be based on the company's ability to repay the loan and the life of the assets to be financed.

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- ▶ Loan interest rates will be negotiated on a case-by-case basis.
- ▶ Interest earned on loans will be utilized for staff costs and/or returned to loan funds within the region; repayments will be returned to loan funds within the region.
- ▶ A business plan will be required. The plan will be reviewed by staff. Plan content shall include: description of the business/product, definition and qualifications of the business management team, marketing plan, monthly cash flow projections for two years, financial resources of the business and its owners, a description of the project plans and need for financial assistance.
- ▶ The region will utilize staff to solicit, review, and contract for these funds using criteria already in place through the NEOEDD's RLF Management plan when not specified within these parameters.

Budget

The Board anticipates utilizing the funds in the following categories:

Projects	\$556,687
Administration and Technical Assistance	\$ 95,000

Staff

The Northeast Oregon Economic Development District, current staff for the region's board, will administer the Rural Action Plan and oversee financial operations of the region's Rural Investment Fund. The region's board has approved a strategy administration budget of \$65,000 for the biennium. NEOEDD will provide the following services for the regional board: overall plan administration, public outreach, project solicitation, board support, meeting preparation and minutes, contract development/monitoring/administration, fiscal management, project troubleshooting, community assistance, and preparation of periodic reports regarding the use of Rural Investment Funds.